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Press Release

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McGraw Announces settlement with Samsung Semiconductor, Inc.

Attorney General Darrell McGraw today announced a \$90 million nationwide settlement with Samsung Semiconductor, Inc. and Samsung Electronics Company Ltd., resolving allegations against Samsung that it and most of the industry's other leading computer chip manufacturers fixed the prices of Dynamic Random Access Memory (DRAM). DRAM is a type of computer chip used in all personal computers, servers, workstations and many other electronic devices. The money paid is restitution for consumers and State and local government agencies who paid more for computers and other electronic devices because of the price-fixing. Samsung admits no wrong-doing in the settlement, which is subject to court approval. Under the settlement's terms, Samsung has also agreed to strong injunctive relief that will require the company to refrain from conduct that could substantially lessen competition. Samsung will also cooperate with the states in continuing litigation against the other DRAM manufacturers.

"Price-fixing of computers chips essential to our electronic economy is intolerable," said Attorney General McGraw. "I am pleased Samsung has stepped forward to resolve these changes."

West Virginia and 38 other states continue to pursue their lawsuit in U.S. District Court in San Francisco, seeking money for consumers and government agencies who paid higher prices for electronics from 1998 to 2002 as a result of alleged price-fixing by at least seven more companies including: Elpida Memory, Inc.; Hynix Semiconductor, Inc.; Infineon Technologies, AG; Micron Technology, Inc.; Mosel Vitelic, Inc.; Nanya Technology Corporation and NEC Electronics America, Inc. and some of their related companies. The states' suit follows a federal criminal investigation that exposed a scheme in which DRAM manufacturers coordinated the prices that they charged to original computer manufacturers; those overcharges were then passed on to consumers. Samsung, Hynix, Infineon, Elpida and numerous individuals have pleaded guilty to federal criminal price-fixing charges and collectively paid more than \$730 million in fines.

Other states participating in the lawsuit include Alaska, Arkansas, Arizona, California, Colorado, Delaware, Florida, Hawaii, Idaho, Illinois, Iowa, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia and Wisconsin.

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